

PEÑASCO VALLEY TELECOMMUNICATIONS

March 30, 2007

*Access to the World With a Local Touch*

***Via Electronic Filing***

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW, Room TW-A325  
Washington, DC 20554

***Re: Ex Parte Comments***

***PS Docket No. 06-229 – 700 MHz Broadband Public Safety Rules***

***WT Docket No. 06-150 – 700 MHz Commercial Service Rules***

***WT Docket No. 06-169 – 700 MHz Guard Band Rules***

***WT Docket No. 96-86 – Public Safety Communications Requirements***

Dear Ms. Dortch

**Penasco Valley Telephone (PVT Networks, Inc.)** is a small business and rural telephone carrier that provides service in the State of New Mexico. Our company has been in business since 1953, and we have a demonstrated commitment to the rural communities in our service area. We are a licensee in the Lower 700 MHz Band radio service, and we are aware that the FCC is in the process of deciding on rules to auction both Upper and remaining Lower Band 700 MHz spectrum, in the timetable mandated by Congress.

We are writing to voice our concern over a recent proposal by Frontline Wireless LLC.<sup>1</sup> In short, we believe the Frontline proposal raises numerous complex issues that would have to be addressed in a separate – and focused – rulemaking proceeding. Under the current statutory deadlines, there is simply not enough time without jeopardizing the auction and delaying service to the public. The Frontline proposal subjects public safety communications to a novel and untested business model; it would take a significant block of commercial 700 MHz spectrum off the table (thereby eliminating a significant source of revenues to the U.S. Treasury); and the wholesale operations contemplated by Frontline could prove detrimental to the viability of small business and rural wireless carriers.

Frontline has proposed service rules that will discourage meaningful competition for the E-Block license, and create a *de facto* monopoly with undue leverage over the public safety community. These factors, along with nationwide economies of scale, would in essence turn Frontline into a subsidized competitor, threatening the viability of many smaller and rural

<sup>1</sup> See Comments of Frontline Wireless, LLC, PS Docket No. 06-229, WT Docket No. 96-86 (dated February 26, 2007); *Ex Parte* Comments of Frontline Wireless, WT Docket Nos. 06-150 and 06-169; PS Docket No. 06-229 (dated March 26, 2007).

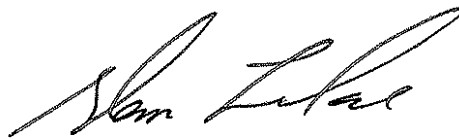
wireless carriers – including 700 MHz band licensees who are only now beginning to construct their networks – and successful bidders from last year’s AWS auction, a number of whom have long-form applications that are still pending before the Commission.

Our company also wishes to voice opposition to the Broadband Optimization Plan (or so-called “BOP”): which has been advocated in these dockets by Access Spectrum, LLC, and Pegasus Communications Corporation (among others). As a Lower 700 MHz Band C-Block licensee, our company strenuously opposes the BOP because it eliminates guard band protection between the upper segment of our license (at 740-746 MHz) and the reconfigured Upper 700 MHz C-Block (which would be moved down to 746-751 MHz). Such a change would increase the risk of interference between adjacent channel licensees that choose differing access technologies (*i.e.*, FDD or TDD) and force us to take additional (and potentially very costly) measures to avoid causing interference.

We agree with AT&T and Verizon Wireless that 700 MHz guard bands must be maintained in order to protect both public safety and commercial operations from interference, and that many key benefits sought by proponents of the BOP can be achieved through consolidation of the public safety narrowband channels and providing for broadband capability in the spectrum currently dedicated to public safety wideband channels.’

Finally, the Commission must reject any and all calls to use package bidding for the Upper and Lower 700 MHz band. Aside from being untested and extremely complex, package bidding procedures are inconsistent with the FCC’s statutory obligation under Section 309 (j) of the Act to promote economic opportunity and competition and disseminate licenses among a wide variety of applicants, including small businesses and rural telephone companies.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sam Lohr", written in a cursive style.

Chief Executive Officer

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<sup>2</sup> *Ex Parte* Comments of AT&T, Inc., WT Docket Nos. 06-169,9646 and 06-150 (filed February 23,2007); *Ex Parte* Comments of Verizon Wireless (including technical **while** paper detailing 700 MHz band interference concerns), WT Docket No. 06-169 (filed February 15,2007).